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USIB-D-16.2/17
29 July 1959

UNITED STATES INTELLIGENCE BOARD

Validity Study of NIE 13-58

Communist China

Published 13 May 1958

The attached validity study of NIE 13-58 was noted by the
Intelligence Board on 28 July (USIB-M-50, item 6 c).



JOHN HEIRES
Executive Secretary

Attachment

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1. NIE 13-58, 13 May 1958, was a study of Chinese Communist domestic developments and external relations during the period of the First Five-Year Plan (1953-1957) and probable trends through 1962. As of mid-1959, most of its judgments for the period through 1962 appear to be still valid except for the predictions of economic growth, which now seem clearly to have been too conservative.

2. Five major events have occurred in Communist China since the publication of NIE 13-58, none of which was specifically predicted: the "great leap forward" in economic production, the institution of the communes, the Taiwan Strait crisis, Mao Tse-tung's yielding of the government chairmanship, and the revolt in Tibet. The most important of these, for the NIE's validity, was the superseding by the great leap forward of the more conservative Second Five-Year Plan, upon which the economic estimates of NIE 13-58 had been largely predicated. Our current estimates of production for the next four years are considerably higher than those in NIE 13-58. The increase in agricultural production during 1958, now estimated at about 15 percent, nearly equals the increase that had been estimated for the entire five years, 1958-1962. We do not believe, however, that the average annual increase in agricultural output for the next four years will exceed the three percent maximum given in NIE 13-58.

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